

**2024 AGM POSSIBLE QUESTIONS AND ANSWERS THAT MAY BE ASKED BY SHAREHOLDERS**

SN	ACTION POINT	ACTION BY	COMMENT/ANSWER
1	what was the change in reserves in 2022 to 2023.What are the reasons for the change.	MANAGER ACTUARIAL	Insurance contract liabilities moved from KES 13.7 billion in 2022 to KES 14.0 billion in 2023. The movemet was largely contibuted by the growth in life business
2	Given that a significant proportion of the firm's premiums are generated from outside the core market of Kenya, how is risk evaluated in the less familiar markets?	MANAGER ACTUARIAL	Kenya Re has been obtaining business from international markets for many years and has gained significant experience. For new markets, we have set measures to ensure we are not overexposed such as initially taking small shares and doing research on the market performance based on available market data.
3	What caused the decline in insurance revenue	MANAGER ACTUARIAL	While we recorded a growth in written premium in 2023, insurance revenue decreased due to several reasons; 1) How revenue is recognised under IFRS 17. 2) In 2022, we recognised all the pipeline premium while in 2023 only the movement was recognised
4	Will Kenya Re continue to run with the Niko Fiti campaign over time or will it diversify to support other causes?	CORPORATE AFFAIRS MANAGER	Yes, Kenya Re will continue with NIKO FITI anchor CSR project.
5	The AGM meetings have been virtual for a while now. When are you likely to go back to physical meetings	CORPORATE AFFAIRS MANAGER	It was observed that during physical meetings bwtween 1,500 to 4,000 attended physically but when we went virtual over 34,000 members have been attending AGM. We therefore cannot revert to a system that restricts members attendance to meetings
6	How are retained earnings going to be used specifically	MANAGER INVESTMENT	Retained earnings are competitively invested as per the Corporation's Investment guidelines and the investment provisions as spelled out by the insurance Act. All the retained earnings are currently invested in quoted equity instruments, placements with financial institutions, investment property, over the counter investments, corporate bonds and offshore investments.
7	Can KRC send shareholders their information on shares and dividends electronically?	CS	Yes. The AGM will be electronic and shareholders will access the information and vote electronically.
8	Why can't the Government cede more shares to the public to give more powers to the shareholders to elect the Directors in a fairer manner than doing the AGM elections for formality purposes when we know the government has majority shares and enjoys the power to always impose someone to us for the position?	CS	The public will be informed if and when the Government chooses to cede more shares.
9	The Corporation still holds a number of vacant plots What is the position of these plots?	CS	The Corporation has vacant plots in Nairobi that are being dealt with as follows: 1) Plots with disputes: the disputes are being addressed through negotiation with the parties concerned and for one plot, litigation. 2) Plots with no disputes: The Corporation has let out these plots for rental income.
10	When is the annual report being made public?It's less than two weeks to the AGM and the report is not on the corporation website.	CHIEF ACCOUNTANT	The 2023 financials were put in the website on 12/6/24.
11	What was the performance of the subsidiaries in FY2023 in terms revenue and profits?	CHIEF ACCOUNTANT	Of the over KES 19.57 billion insurance revenue for the group, the subsidiaries contributed as below: - West Africa - 929 million - Zambia - 916 million - Uganda - 685 million Of the over KES 7.03 billion pretax profits for the group, the subsidiaries contributed as below: - West Africa - 548 million profit - Zambia - 251 million profit - Uganda - 13 million loss
12	What caused the decline in insurance revenue	CHIEF ACCOUNTANT	This is majorly attributed to the Corporation's deliberate move to scale down on loss-making classes of business e.g. agriculture business from India and medical classes of business.
13	Does Kenya Re have sufficient cash and capital resources to meet projected budget?	CHIEF ACCOUNTANT	Kenya Re has sufficient cashflows to meet its obligation as clearly shown by the Fy2023 statement of cashflows and Fy2024 budgeted cashflows.
14	Explain the Key Audit Matters in the 2023 annual accounts	CHIEF ACCOUNTANT	Valuation of insurance contract liabilities- This is considered as a key audit matter since the valuation of group reinsurance contracts is dependent on a number of subjective assumptions about future experience. The audit scope was to ensure that Kenya Re values its insurance technical reserves under IFRS 17 to reflect current carrying amounts by not over or under valuation. These balance amounts are significant to the financial statements.
15	What is Kenya-Re's target claim's ratio? There has been quite a lot in the press on fraud in the industry. What are your views on this? Do you see this potentially increasing the claims ratio?	CLAIMS MANAGER	Kenya Re's target Loss ratio is 58%. Insurance fraud is usually a highly ochestrated vice involving several stakeholders in the claims value chain. As a reinsurer, we have highly technical analytical team, and, where we suspect/prove such fraud, the options available are, decline the claim, request for further investigation using our appointed resource or renegotiate where the loss actually occurred but the variation is in quantum. We do not anticipate a surge in loss ratio due to fraud. However, we are on the look out for such claims especially those relating to the recent floods. In response to this fraud concern, IRA on 30th May 2024, held a stakeholder engagement involving claims managers and invstigators and this matter was discussed and the regulator's expectaions given.

**2024 ACTUAL QUESTIONS ASKED BY SHAREHOLDERS AND THE RESPONSES PROVIDED**

SN	ACTION POINT	ACTION BY	COMMENT/ANSWER
1	What is the justification or reason for the proposal to do a bonus share issue of 1:1?	MANAGER, INVESTMENTS	To enhance the Corporation's paid-up capital to enable it to access business in markets that demand higher paid-up share capital thresholds in the days ahead. To provide the shareholders of Kenya Re with greater participation in the equity of the Company in terms of the number of shares held and maintaining their percentage equity interests. Increasing the Company's issued and paid-up share capital to a level which would be more reflective of its current scale of operations. To enhance the marketability and trading liquidity of Kenya Re Shares at the Nairobi Securities exchange by way of a larger capital base; and To attract the participation by investors given the potential broadening of the Company's shareholder base and to reduce frequent requests for approvals to enhance paid up share capital.
2	How are shares valued.. very low rate for quite a substantial period?	MANAGER INVESTMENTS	The following approaches are used: <input type="checkbox"/> Dividend discounting method, Price to book approach and the price earning ratio approach This is fundamental analysis, where an analysis looks at the fundamentals of a firm in comparison to the market price per share to determine if the stock/a firm is over valued or undervalued). The analyst may recommend a sale if overvalued or a buy if undervalued. <input type="checkbox"/> The chartist approach looks at the historical prices of the stock and make a decisio whether to buy or sale based on how the prices have behaved in the past. It is usually premised on the belief that "history repeats itself".
3	What were the greatest challenges in 2023? How do you intend to grow and increase dividends for shareholders with increasing competition?	MANAGER INVESTMENTS	<input type="checkbox"/> High interest rates that stifled the private sector. <input type="checkbox"/> Volatile exchange rates that led to the widening of the balance of payments among differe economies. This had a negative impact on African countries with huge foreign denominated debts. <input type="checkbox"/> Geopolitical tensions involving Ukraine and Russia and later in the year between Israel and Palestine continued to stifle the movement of goods and services across the globe. <input type="checkbox"/> Unpredictable weather patterns also continued to adversely affect agricultural output.

4	What was the performance of the subsidiaries in FY2023 in terms revenue and profits?	CHIEF ACCOUNTANT	"Of the over KES 19.57 billion insurance revenue for the group, the subsidiaries contributed as below: - West Africa - 929 million - Zambia - 916 million - Uganda - 685 million Of the over KES 7.03 billion pretax profits for the group, the subsidiaries contributed as below: - West Africa - 548 million profit - Zambia - 251 million profit - Uganda - 13 million loss"
5	By how much has the Reinsurance receivables reduced and what was done in having the figure reduced?	CHIEF ACCOUNTANT	As per IFRS 17 reporting standard, reinsurance receivables is not one of the balance sheet items to report.
6	What caused the decline in insurance revenue?	CHIEF ACCOUNTANT	This is majorly attributed to the Corporation's deliberate move to scale down on loss-making classes of business e.g. agriculture business from India and medical classes of business.
7	When is the annual report being made public? It's less than two weeks to the AGM and the report is not on the corporation website.	MANAGER, CORPORATE AFFAIRS	The Annual Report is available on the Corporation's website.
8	What are the gift hampers for physical in-person attendance?	MANAGER, CORPORATE AFFAIRS	The AGM event is purely virtual.

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